STANDARD & POOR'S

STANDARD & POOR'S A FUND MANAGEMENT RATING

September 2011

LEGG MASON GLOBAL FUNDS PLC - LEGG MASON GC GLOBAL EQUITY FUND

Sub-fund of Irish domiciled open-ended investment company
Fund owner: Legg Mason Investments
Fund manager/adviser: Global Currents Investment Management

Named portfolio manager/adviser(s): Paul Ehrlichman (since January 2011) / Team
Peer group: Global mainstream equities

Location: Wilmington, Delware
Launch date: September 2006
Fund size (June 2011): US$1.6m

Contact group: +44 20 7070 7444 or www.leggmason.co.uk

Further information on S&P's fund coverage can be found at www.FundsInsights.com

Investment style

	Value	Blend	Growth
Large-cap			
Mid-cap			
Small-cap			

Performance statistics

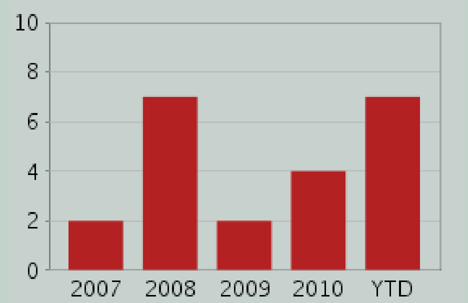
	Three years
Fund	-12.8%
Standard & Poor's peer median	-8.6%
Index**	-3.1%
Fund rank	3196/4768
Volatility-adjusted ranking	3411/4768

*** S&P Global 1200*
Note: returns are cumulative

Risk characteristics

	Three years
Maximum monthly drawdown (%)	-19.8
Volatility	23.1
Correlation	1.0
Beta	0.9

Calendar-year decile ranks



Decile ranking in discrete annual periods. First decile shown as rank 10, second decile as rank nine with tenth decile as rank one.

 All statistical data on this report has been run to 1 June 2011 on NAV to NAV basis, with gross income reinvested, in USD.

Please see page three for required research analyst certification disclosure.

Standard & Poor's opinion (August 2011)

The disciplined investment approach supporting this fund has undergone remarkably little change since it was introduced at Brandywine Investments in the mid-1980s. Lead manager, Philip Ehrlichman first became involved in the mandate soon after. He stayed with it when the firm was merged into the Legg Mason group and then when he helped spin off Global Currents, in 2008, as an associated Legg Mason subsidiary focusing on US and global equity mandates emphasising bottom-up stock selection and a clear value bias.

Global Currents has a small but experienced team. Lead manager and CIO Paul Ehrlichman is supported by three other fund managers (average 21 years' experience) and three analysts (average 10 years). All have global sector responsibilities.

Legg Mason's Global Equity Fund aims for capital appreciation from a relatively focused portfolio, constructed mainly bottom-up with a strong value tilt. Portfolio construction involves screening over 17,000 stocks on a range of criteria relative to peers and historic levels over rolling 60-month periods. Those identified as selling below their normal valuation levels undergo further modelling to help avoid value traps. Risk is controlled through formal positioning constraints and the team's understanding of the companies held.

Despite our appreciation of the team's experience and disciplined value approach, markets have tended to favour growth investing more consistently in recent years, causing this fund to lag its more growth-oriented competitors and placing the current S&P A rating under pressure.

Fund manager & team

Global Currents Investment Management was established in May 2008 by the global equity value team at another Legg Mason subsidiary, Brandywine. It is an autonomous affiliate within Legg Mason and its expertise is in global equity mandates run with a clear value bias and an emphasis on bottom-up stock selection. With over $4.5bn under management, the investment team comprises four portfolio managers including CIO Paul Ehrlichman (average experience 24 years) and three research analysts (average 10 years). All have global sector responsibilities.

Paul Ehrlichman - global equity CIO - finance & analysis (La Salle University), began his career in 1983 at First Pennsylvania Bank, moving to Provident Capital Management in 1984 and Brandywine in 1988 becoming global equity CIO before launching Global Currents in 1988.

Sean Bogda - finance (University of Colorado), began his career in 1990 as an analyst at Brandywine and is now a senior portfolio manager in the global equities team.

Elisa Mazen - finance (Rutgers University), has over 25 years' investment experience. She joined the firm in 2008 from Oppenheimer Capital, where she was head of global equities and before that was a fund manager at Clemente Capital.

Safa Muhtaseb - business (Old Dominion University), MBA finance (University of Tennessee), has over 21 years' experience with names including Brandywine, Goldman Sachs and CalPERS.

Management style

This all-cap, all markets fund aims to outperform the MSCI World index by an average of 3% pa over a market cycle.

Over 17,000 stocks are screened monthly, firstly to remove sub-$100m stocks for liquidity reasons and then to score and compare each stock's P/E, P/B and P/CF ratios relative to sector, country and historic levels over rolling 60-month periods, to highlight those trading at or below historic values. Those with deteriorating fundamentals are eliminated.

Further fundamental analysis then focuses on establishing the intrinsic value of each business and any catalysts that may engender recovery and/or growth. Company visits and meetings with suppliers and competitors help to further the team's understanding.

The portfolio is focused into 50-90 holdings and built in a collegial fashion. Core positions are typically 1-3% (up to 5%), based on upside potential, downside risk, level of conviction and impact on diversification.

Formal risk control limits include 15% for any one industry, 35% in a sector and 50% in a single country, raised to 75% for the US and reduced to 15% for an emerging market. The targeted tracking error is 4% to 8%. Turnover is typically 50-70% a year.

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Portfolio & performance analysis (June 2011)

The benefit of essentially the same investment team applying a disciplined approach in a consistent manner has not produced the level of returns one may have expected. Admittedly since the fund's launch in September 2006, markets have tended to favour growth over value considerations, but this fund has often proved to be too defensively positioned to keep up with its more growth-oriented competitors in the S&P mainstream global equity sector. While still slightly short of having a full five-year track record, the three-year cumulative return is third quartile and an absolute 4.2 percentage points below the sector median, at -12.8% against an index of -8.6%.

The fund's best relative returns have come in periods of market uncertainty: during the second half of 2008 and year-to-date 2011.

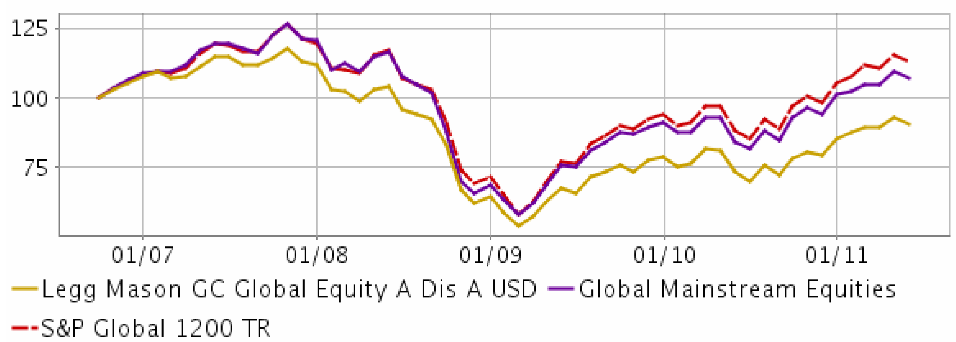
In 2009, the fund outperformed over the first quarter, but was hurt subsequently by being underweight financials and not having enough low price-to-book stocks within the sector. Stock selection within consumer discretionary also detracted, partly because of the geographical bias towards the UK at the expense of the US.

Underperformance against the peer group in 2010 reflected exposure to financials and the team's misjudgement of the shift in the technology sector from computers to electronic tablets. Being out of utilities holdings helped returns during the first half of the year. Returns in 2011 were hurt by being overweight Japan at the time of the earthquake, but stock selection proved positive. Positions in oil services (Halliburton) and soft commodities (Teva Pharmaceuticals) have performed well.

The current portfolio is overweight healthcare, consumer discretionary and telecoms, and underweight financials, basic materials and consumer staples.

At country level the portfolio is now underweight Europe ex UK and Asia ex Japan and broadly neutral elsewhere, allowing 2% in the emerging markets and 5% cash.

Cumulative performance



Calendar year performance

	2007		2008		2009		2010		YTD June 2011	
	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
Fund	3.5	3129/3562	-42.2	1710/4496	21.7	4711/5429	8.3	3785/5982	6.7	2284/6275
Index**	10.2		-40.1		31.7		11.9		7.3	
Median	10.9		-43.7		32.7		10.0		5.9	

*** S&P Global 1200*
Fund benchmark: MSCI World Net (USD) index
Share class screened: IE00B06N0024 (A)

Portfolio characteristics (June 2011)

No. of holdings	67
% in top 10	21.9
Turnover ratio (%)	60

Top 10 holdings

	%
Siemens	2.8
Cardinal Health	2.3
BCE	2.3
ConocoPhillips	2.2
Honeywell International	2.2
JPMorgan Chase	2.1
Bridgestone	2.0
Unilever	2.0
IBM	2.0
PepsiCo	2.0

** In top 10 holdings a year ago*

Sector allocation

	%
Basic materials	6.0
Consumer discretionary	14.0
Consumer staples	8.0
Energy	11.0
Financials	13.0
Healthcare	13.0
Industrials	11.0
Information technology	12.0
Utilities	2.0
tel	6.0
Cash	4.0

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Symbols and Definitions

Long-only fund ratings

AAA	The fund demonstrates the highest standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.
AA	The fund demonstrates very high standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.
A	The fund demonstrates high standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.

Fund-of-hedge-funds ratings
Absolute return fund ratings
Specialist fund ratings

AAA	The fund demonstrates the highest standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.
AA	The fund demonstrates very high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.
A	The fund demonstrates high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

Ucits III flexible beta fund ratings

AAA	The fund demonstrates the highest standards of quality based on its investment process, risk awareness and consistency relative to its own objectives and relative to comparable flexible beta funds.
AA	The fund demonstrates very high standards of quality based on its investment process, risk awareness and consistency relative to its own objectives and relative to comparable flexible beta funds.
A	The fund demonstrates high standards of quality based on its investment process, risk awareness and consistency relative to its own objectives and relative to comparable flexible beta funds.

All fund ratings

Not Rated (NR)	Funds designated as Not Rated currently do not meet the requisite performance standards and/or the minimum qualitative criteria to achieve a fund rating.
Under Review (UR)	Ratings are placed Under Review when significant management changes occur at the fund manager or fund management team level and Standard & Poor's Fund Services has not had the opportunity yet to evaluate their impact on the qualitative appraisal.
(New)	Signifies where a major event has occurred for which there is no fund-specific track record available. This includes: funds recently launched, the implementation of a new investment process or mandate and may include structural changes within a fund team.
Tenure Review (TR)	The fund manager/team involved in the management of the fund does not currently have the minimum 12 months relevant investment management experience required to be eligible to be considered for a rating.
Long-term fund management rating	The fund has been rated in the A/AA/AAA fund rating band for five consecutive years or more, and continues to hold a rating.

Bond fund volatility ratings

The bond fund volatility rating is our current opinion of a fund's sensitivity to changing market conditions. Volatility ratings evaluate the fund's sensitivity to interest rate movement, credit risk, investment diversification or concentration, liquidity, leverage and other factors. For V1-V4 categories, risk is considered relative to a portfolio composed of government securities and denominated in the base currency of the fund.

V1	Bond funds that possess low sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within one to three years, and denominated in the base currency of the fund. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising the highest quality fixed income instruments with an average maturity of 12 months or less. Within this category, certain funds are designated with a plus sign (+), indicating extremely low sensitivity to changing market conditions.
V2	Bond funds that possess low to moderate sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within three to seven years, and denominated in the base currency of the fund.
V3	Bond funds that possess moderate sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within seven to 10 years, and denominated in the base currency of the fund.
V4	Bond funds that possess moderate to high sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing beyond 10 years and denominated in the base currency of the fund.
V5	Bond funds that possess high sensitivity to changing market conditions. These funds may be exposed to a variety of significant risks including high concentration risks, high leverage, and investments in complex structured and/or less liquid securities.
V6	Bond funds that possess the highest sensitivity to changing market conditions. These funds include those with highly speculative investment strategies with multiple forms of significant risks, with little or no diversification benefits.

Absolute return fund N ratings

The N rating is Standard & Poor's indication of a fund's potential capital stability in normal markets. It is a qualitative rating but is based on annualised weekly downside deviation. N1 is the most stable and N9 the least.